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Revenue (1948) Department.

Ms. SERIES.

G.O. No. 1141

Dated 12 - 5 - 48

[Despatch Abstract.]

Appropriation of Accounts - 1945-46 and the Audit Report of 1947 - Entertainment Tax - Payment to Local Bodies - Certain irregularity - Papers - Recorded.

REVENUE DEPARTMENT.

NOTE FOR THE PUBLIC ACCOUNTS COMMITTEE.

/ Paragraph 12(5) on page 40 of the Appropriation Accounts, 1945-6 and the Audit Report, 1947 (See also page 43/

SUBJECT: - Case of unremedied or uncovered excess under Grant VII - Other Taxes and Duties - c.Entertainments Tax - 1. Payment of net proceeds to local bodies

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ACCOUNTANT-GENERAL'S REMARKS.

Major head and sub head	Final grant or appropriations.	Actual expenditure-.	Excess(+) or Savings (-)
(1)	(2) Rs.	(3) Rs.	(4) Rs.
13. Other Taxes and Duties - Tax-1.Payment of net proceeds to local bodies.			
	S.23,00,000	23,00,000	28,19,054 + 5,19,054

Column (1) - Payment to local bodies of the net proceeds from the entertainments tax assigned to them with effect from 1st April 1945.

Column (4) - Increased payment to local bodies on account of increased receipts under the Entertainments Tax Act.

NOTE BY THE REVENUE DEPARTMENT

At the time of framing the Budget Estimate for 1945-6, the expenditure under this sub-head was not contemplated and so no provision was made for this in the Budget Estimate for 1945-6. With effect from 1st April 1945, it was ordered that 90 per cent of the proceeds from the entertainments tax should be assigned to local bodies within whose jurisdiction the tax is collected. Up to the end of December 1945, an expenditure of Rs.16,39,483 had been incurred on the payment of the net proceeds to local bodies. Based on these actuals a supplementary appropriation was obtained for a sum of Rs.23,00,000 for the whole year. The actual expenditure however. amounted to Rs.28,19,054. The extra expenditure of Rs.5.19 lakhs incurred during the year was apparently due to the fact that a number of claims of local bodies relating to the first two quarters of the year which had not been settled were paid during the last quarter. This could not be anticipated at the time of applying for additional appropriation.

P.S.VISWANATHA AYYAR -27-8-1947.

Extracts from the Report of the Public Accounts Committee on the Accounts of the Province of Madras for the year 1945-6.

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10. Cases of unremedied or unrecovered excesses --(i) Grant VII--Other Taxes and Duties -- C.Entertainments Tax --1. Payment of Net Proceeds to Local Bodies (paragraph 12 (5) on page 10 of the Audit Report and page 43 of the Appropriation Accounts).-- The Government decided after the Budget Estimate for 1945-6 was framed that, with effect from the 1st April 1945, 90 per cent of the proceeds of the entertainments tax should be assigned to local bodies within whose jurisdiction the tax was collected. On the basis of the actuals upto the end of December 1945, a sumpplementary appropriation of Rs.23,00,000 was obtained to meet the expenditure for the whole year. The actual expenditure, however, amounted to Rs.28,19,054, resulting in an excess of Rs.5,19,054 over the final appropriation. It has been explained to use that the excess was due to the fact that a number of claims of local bodies relating to the first two quarters of the year 1945-6, which had not been settled at the time of applying for the supplementary appropriation, has unexpectedly to be padd during the last quarter, and that there was difficulty in estimating accurately the requirements since the assignment was sanctioned for the first time during 1945-46.

We accept the explanation, as we agree that there would naturally be some difficulty in estimating accurately under this head in the first year. We hope that this difficulty will not arise in future.

Revenue Department

Please see the Extracts from the Report of the Public Accounts Committee as the Accounts of the Province of Madras for the year 1945-46 on page 22 c.f. and the Finance U.O notes on page 23 c.f.

2. The explanation furnished by this Department in the note on page 17 c.f. has been accepted by the Public Accounts Committee. Steps have already been taken to see that the mistake does not recur. No further action seems necessary. The papaers may be recorded. .

G.O.Ms.No.1141 dated 12-5-1948. .

R e c o r d e d .

Sd/-xxxxxxx,
11-5-1948.

Abstract:-
Appropriation of Accounts - 1945-46 and the Audit Report of 1947 Entertainment Tax - Payment to local bodies - Certain irregularity-papers Recorded.

/True copy/

Office Assistant,
Madras Record Office.

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